

**SENATE BILL**

**No. 1**

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**Introduced by Senators Correa, Ashburn, Denham, Huff, and  
Walters**

(Principal coauthors: Assembly Members Blakeslee and Solorio)  
(Coauthors: Assembly Members Conway, Fletcher, Garrick, Hagman,  
Hall, Nava, Portantino, Tran, and Villines)

October 26, 2009

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An act to amend Section 7074.2 of the Government Code, relating  
to economic development.

LEGISLATIVE COUNSEL'S DIGEST

SB 1, as introduced, Correa. Economic development: projects.

The Enterprise Zone Act provides for the designation of enterprise zones by the Department of Community Housing and Development, based on the department's approval of applications from a city, county, or city and county with a geographic area meeting certain criteria. Certain entities within a designated enterprise zone may receive regulatory, tax, and other incentives for private investment and employment. Existing law provides that no more than 42 enterprise zones be designated at any one time pursuant to the act. Upon the expiration or termination of a designation, existing law authorizes the department to designate another enterprise zone to maintain a total of 42 enterprise zones.

This bill would authorize the department to designate one special enterprise zone within the City of Fremont consisting of a geographical area encompassing a facility that manufactures automobiles and to designate, until June 30, 2010, an additional 10 special enterprise zones limited to one nonrenewable 15-year term. The bill would exclude these

enterprise zones from the calculation of the overall number of enterprise zones authorized under the act. The bill would also make legislative findings and declarations as to the necessity of a special statute.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 7074.2 of the Government Code is  
2 amended to read:

3 7074.2. (a) Notwithstanding any other ~~provision of law~~, a city,  
4 county, or a city and county may designate a joint powers authority  
5 to administer an enterprise zone.

6 (b) No more than 42 enterprise zones may be designated at any  
7 one time pursuant to this chapter, including those deemed  
8 designated pursuant to subdivision (e) of Section 7073. Upon the  
9 expiration or termination of a designation, the department may  
10 designate another enterprise zone to maintain a total of 42  
11 enterprise zones.

12 (c) *Notwithstanding subdivision (b), the department may*  
13 *designate one special enterprise zone pursuant to this chapter*  
14 *within the City of Fremont that consists of a geographical area*  
15 *encompassing a facility that manufactures automobiles. The*  
16 *enterprise zone designated under this subdivision shall not be*  
17 *included in the calculation of the overall number of enterprise*  
18 *zones authorized under this chapter. The applicant and application*  
19 *shall comply with the provisions of this chapter and the*  
20 *department's regulations governing enterprise zones specified in*  
21 *Title 25 (commencing with Section 8430) of the California Code*  
22 *of Regulations, except that the application shall not be subject to*  
23 *a competitive application process.*

24 (d) *Notwithstanding subdivision (b), the department may, until*  
25 *June 30, 2010, designate an additional 10 special enterprise zones*  
26 *limited to one nonrenewable 15-year term. Enterprise zones*  
27 *designated under this subdivision shall not be included in the*  
28 *calculation of the overall number of enterprise zones authorized*  
29 *under this chapter. If the department has completed its 2009*  
30 *competitive designation process as of the date the act amending*  
31 *this section goes into effect, it may use the results of that process*  
32 *to select the additional 10 special enterprise zones.*

1     ~~(e)~~

2     ~~(e)~~ Notwithstanding any other provision of law, an expiring  
3 enterprise zone that applies for a new enterprise zone designation  
4 pursuant to Section 7073 or 7073.1, and receives a conditional  
5 designation letter from the department, may offer, and a taxpayer  
6 doing business within the geographic boundaries of the new zone  
7 referenced in the conditional designation letter shall be eligible to  
8 receive, all enterprise zone benefits until the department makes a  
9 final designation or declines to redesignate the zone. The  
10 department shall make the effective date of the new zone the date  
11 of expiration of the previous designation and the term of the new  
12 zone shall begin on that date.

13     SEC. 2. Due to the unique circumstances of the City of  
14 Fremont, with respect to the need for sustained employment and  
15 business development in the area, the Legislature hereby finds and  
16 declares that a general statute cannot be made applicable within  
17 the meaning of Section 16 of Article IV of the California  
18 Constitution.

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